

Appendix 8 - City Development Tracker and Pipeline map

CPAT Office Development pipeline (forecast) vs historic office development completions

Period	Sq. ft
2018 to 2023 (inclusive pipeline)	18,700,000
2012 to 2017 (inclusive completions)	10,600,000

Quick commentary:

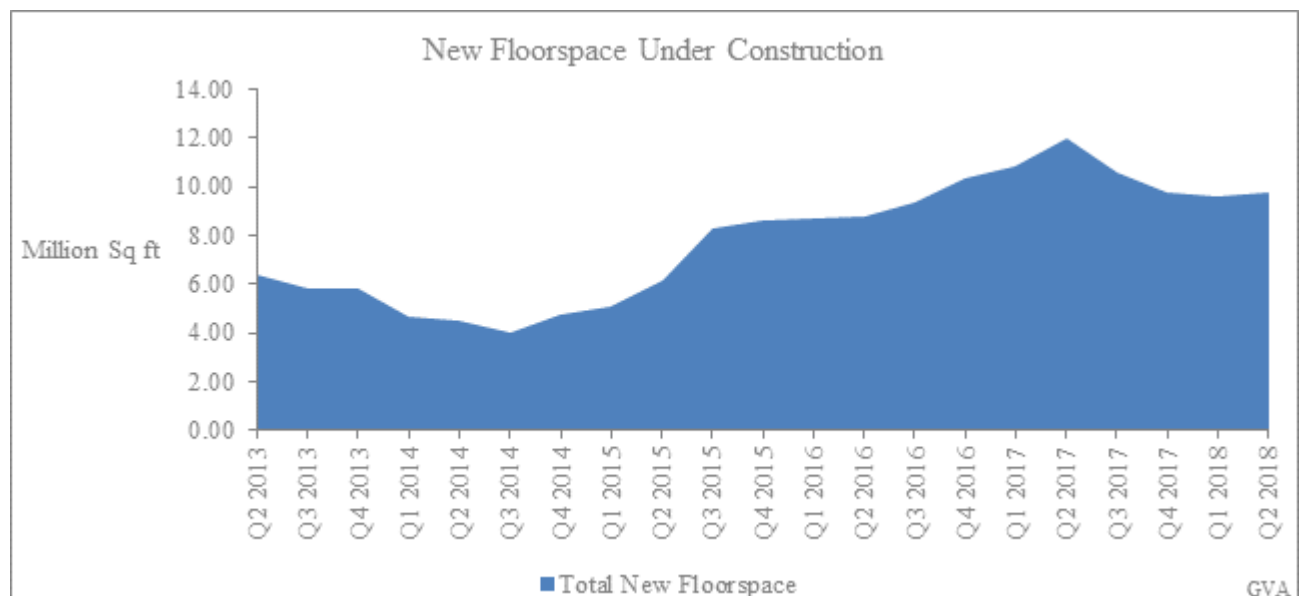
Agents reported between 7.77 million sq. ft and 9.80 million sq. ft of office space under construction during Q2. According to GVA (9.80 million sq. ft), construction increased 5% on Q1.

Of the 9.80 million sq. ft under construction, 4.90 million sq. ft is due to complete in 2018, of which 69% is already pre-let.

The largest development under construction in the City is 22 Bishopsgate at 1.2 million sq. ft, due for completion in Q4 2019.

According to CBRE, four developments completed in Q2 totalling 450,800 sq. ft, of which 406,000 sq. ft had already been let. London Fruit & Wool Exchange, E1, was the largest development to complete during the quarter, of which the entire 275,500 sq. ft had been let prior to completion.

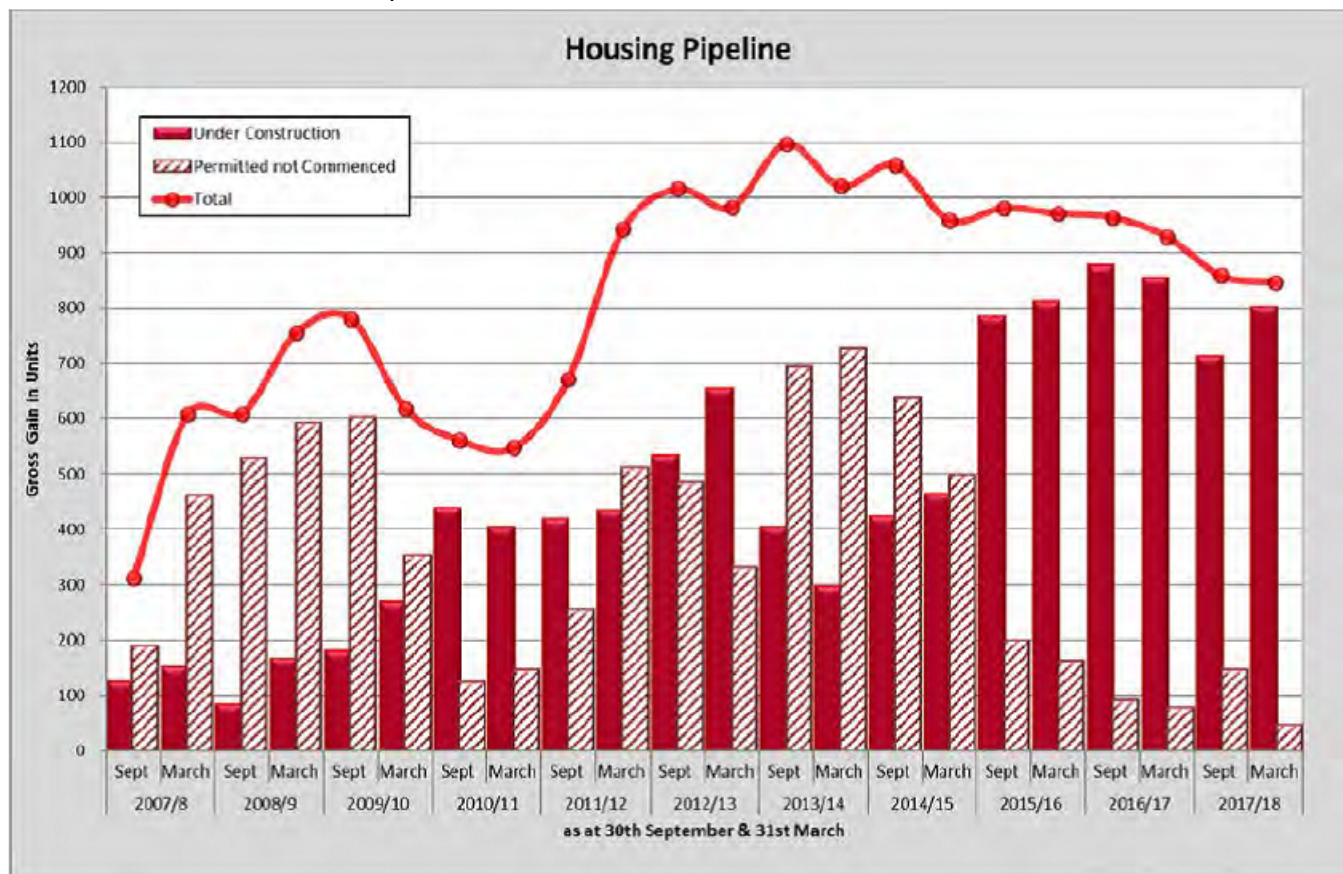
A further 19 developments are due to complete in the second half 2018 totalling 2 million sq. ft, of which 1.1 million sq. ft has already been let or is under offer.



(Source: CPAT Agents Digest Q2 2018 by Sean Jordan)

Housing Development Pipeline

The Housing Development Pipeline is the housing units under construction and permitted not commenced set out in Graph 6.



Graph 6: Housing Pipeline by Number of Units

The total housing pipeline decreased marginally by 12 housing units from 858 as at 30th September to 850 at 31st March 2018. This total remains high in relation to trends since 2008/9. The total pipeline comprises:

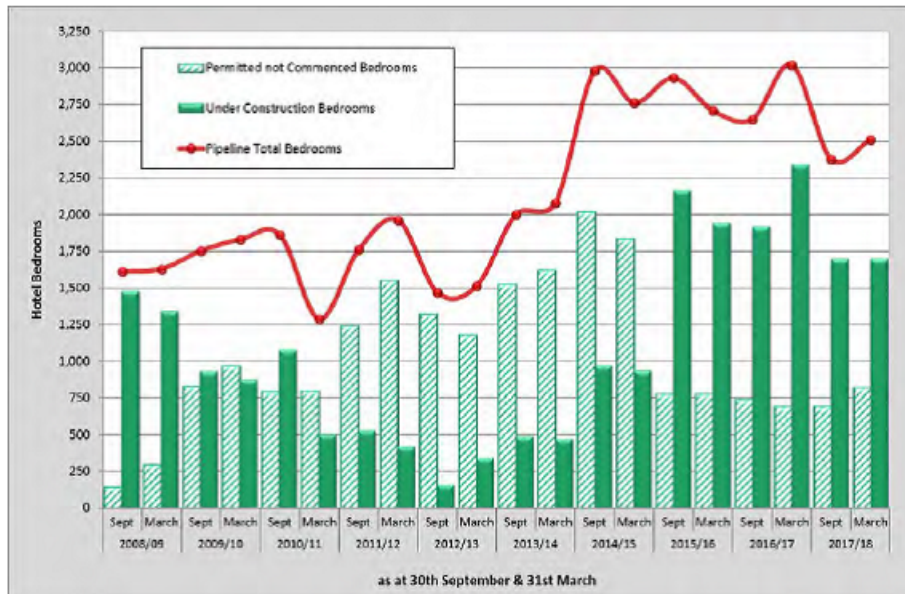
- Under construction: As at 31st March 2018 a total of 800 units were under construction. This has increased by 100 units since 30th September 2017 due to the commencement of a large-scale scheme in the context of the City of London housing supply
- Permitted not commenced: As at 31st March 2018 a total of 46 units were permitted not commenced. This is at a low level primarily due to the high number of units under construction.

In addition to the housing pipeline there was a student accommodation scheme of 619 bedrooms under construction in the East of the City.

(Source: CoL Development Information 01/10/2017 to 31/03/2018 by Conor Newman – DBE - Tel 020 7332 3787)

The Hotel Development Pipeline

The Hotel Development Pipeline comprises hotel bedrooms units under construction and permitted not commenced. This is set out in Graph 8.



Graph 8: Hotel Pipeline – Number of Bedrooms

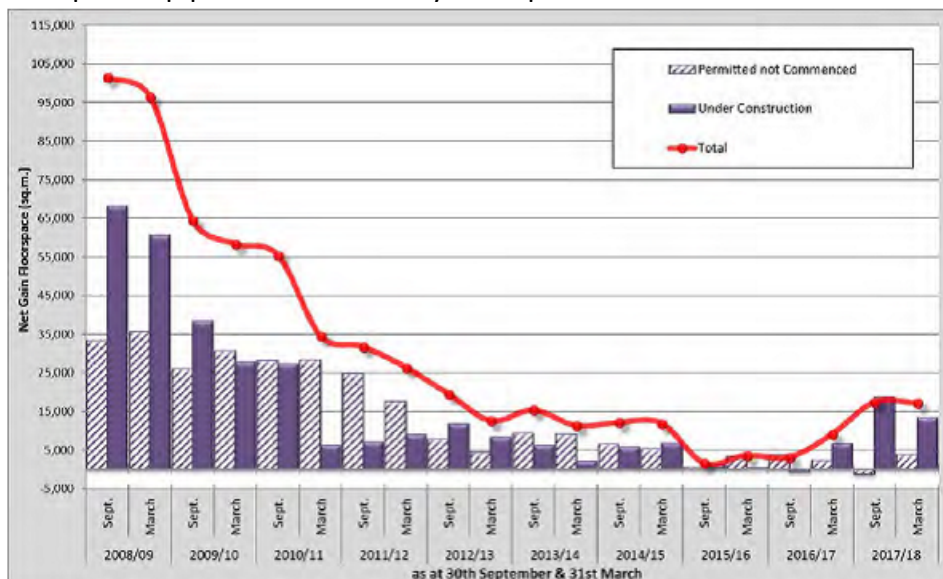
The pipeline comprises of:

- Under construction: The total number of hotel bedrooms under construction remained consistent at 1,690 between 1st October 2017 to 31st March 2018.
- Permitted not commenced: The total number of bedrooms permitted not commenced was 818 as at 31st March 2018, an increase of 132 bedrooms since the 30th September 2017.

(Source: CoL Development Information 01/10/2017 to 31/03/2018 by Conor Newman – DBE - Tel 020 7332 3787)

Retail Development Pipeline

The Retail Development Pipeline equates to retail development under construction and permitted not commenced. This is set out in Graph 10 which shows the net retail development pipeline measured by floorspace.



Graph 10: Retail Development Pipeline – Net Floorspace

- Under Construction: The net floorspace that is under construction decreased from 18,700m² as at 30th September 2017 to 13,400m² as at 31st March 2018.
- Permitted not commenced: The net floorspace rose from a net loss of 1,210m² as at 30th September 2017 to a net gain of 3,800m² as at 31st March 2018.

(Source: CoL Development Information 01/10/2017 to 31/03/2018 by Conor Newman – DBE - Tel 020 7332 3787)

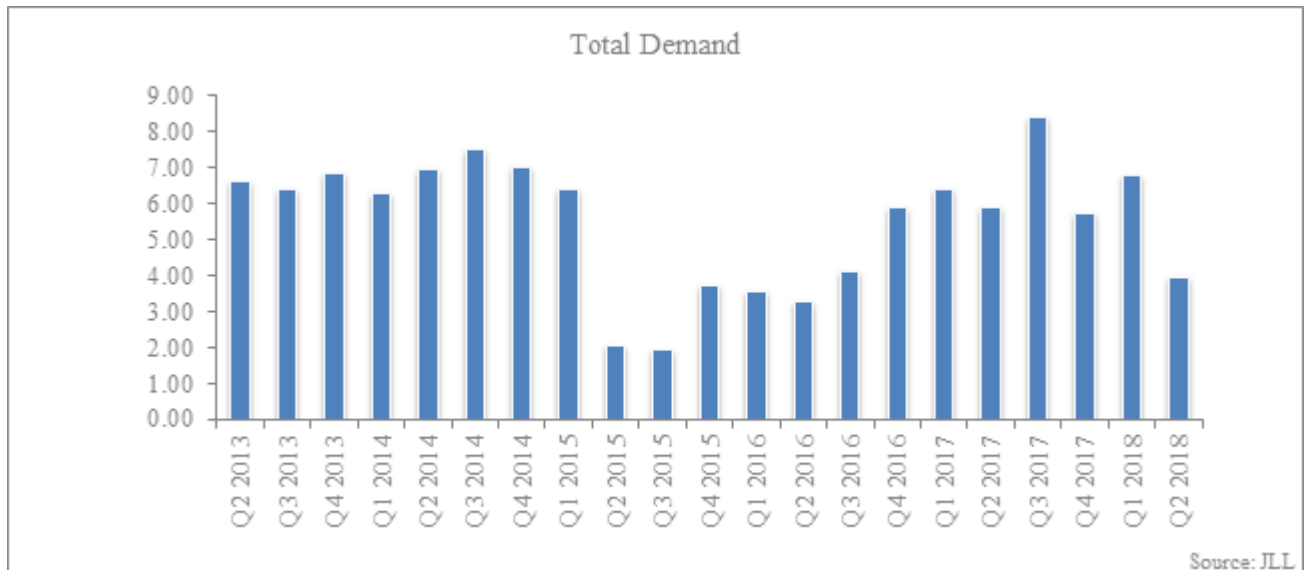
Demand

Quick commentary:

According to JLL, total occupational demand (active & potential) totalled 10.22 million sq. ft at the end of Q2. Of the total demand figure, 42% was for lot sizes at 100,000 sq. ft and above, 26% was for 50,000 to 99,999 sq. ft, 29% was for 10,000 sq. ft to 49,999 sq. ft and 3% was for lot sizes sub 10,000 sq. ft.

Active demand at the end of Q2 accounted for 6.47 million sq. ft and potential demand accounted for 3.75 million sq. ft.

Total occupational office demand by million sq. ft.



(Source: CPAT Agents Digest Q2 2018 by Sean Jordan)

Availability

Quick commentary:

By the end of Q2, agents reported total office availability at between 5.30 million sq. ft and 8.30 million sq. ft.

According to CBRE, availability decreased 10% to 5.60 million sq. ft in Q2 and is 10% below the 10-year average. Second-hand space accounted for 64% of total availability, whilst newly completed space accounted for 12%. Early marketed availability accounted for 24% of total availability.



(Source: CPAT Agents Digest Q2 2018 by Sean Jordan)